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Testimony For Education Committee Public Hearing March 3, 2014

Written Testimony for HB 5034 -An Act Implementing Budget Recommendations of the Governor Concerning Education

Good Afternoon. My name is Richard Carmelich and I am the President for the Connecticut Association of School Business Officials (CASBO) and Director of Finance and Operations Regional School District No. 7.

CASBO is a non-profit professional association that represents school business officials (SBOs) throughout the state of Connecticut. SBOs work closely with school boards, administrators, staff, public officials and communities; and are responsible for most aspects of school business and operations. This includes, but not limited to, developing and monitoring school district budgets.

CASBO appreciates the financial support for public education provided by the Governor and the legislature over the past three years. We do offer the following comments with respect the Governor's budget recommendation for fiscal year 14-15 in hopes of enhancing this support.

ECS Grant

The Governor's budget for 13-14 increased the ECS grant by approximately \$51 million and proposes to increase this grant by approximately \$40 million for 14-15. The vast majority of these increases in both years were targeted to the most needy Alliance Schools. CASBO is grateful for the support of these 30 schools. We also would like to point out that for the non-alliance schools, there has been little or no increase in ECS for the past 5 years. This has occurred during a period of rising costs due to health insurance, energy, transportation, implementation of new standards, contractual obligations and the general cost of living on other costs. Many local municipalities continue to face economic challenges and are not able to fund these cost increases. As a result, programs are cut, needed expenses deferred and /or class sizes increased.

CASBO urges the legislature to approve an increase of 3% in the ECS, in addition to the proposed increase included in the Governor's budget. Although this will not make up for flat funding of the past, it will help offset for some of the increasing costs that local boards have had to bear (many as the result of unfunded mandates).

Excess Cost Grant

This very important grant, which has provided some relief for very expensive programs that meet the needs of children with special needs, has been capped over the past three years. As a result, many schools have had to reduce or eliminate programs for other students in order to meet these mandated programs.

CASBO urges the legislature to remove the cap on the excess cost grant. Such action will enhance the ability of every public school district to provide for our most needy students without diminishing the quality of education for other students.

School Security Grants

CASBO urges the legislature to approve the Governor's proposal for a second round of grants to pay for safety and security measures for our school buildings and grounds. All schools have security plans in place. Many of these plans do require the expenditure of funds which, in many cases, are not available at the local level. This next round of grants would help provide some additional funding to help local school districts implement their security plans.

Insurance Premium tax

The Governor's Budget includes a proposal to eliminate a 1.75% tax on municipal health insurance premiums. This tax only applies to fully insured health plans and is another added cost to the rising cost of health care. We urge the legislature to eliminate this tax in order establish a level playing field for all municipal health plans. This will help municipalities as they try to tackle the raising costs of health care.

Thank you for your time and I would be happy to answer any questions.